UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/1992/12
31 March 1992

ORIGINAL: ENGLISH

Thirty-ninth session
4-29 May 1992, Geneva
Item 2 of the provisional agenda

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1991

INTRODUCTION BY THE ADMINISTRATOR

1. The year 1991 was very eventful for the United Nations Development Programme (UNDP). It was also a year of steady progress towards putting into practice the new orientations for technical cooperation, laid down by the international community. It was, in short, a year of challenges and change. The challenges stemmed primarily from the recent major shifts in global priorities. The changes reflected in part the UNDP response to these new challenges - which are also opportunities - and in part its ongoing efforts to meet more effectively the older and persistent challenge of development. In particular, UNDP continued and intensified the refocusing of its policies, strategies and activities in conformity with General Assembly resolution 44/211 of 22 December 1989 on the comprehensive biennial policy review of operational activities for development of the United Nations system.

I. NEW ORIENTATIONS FOR TECHNICAL COOPERATION

2. The report of the Administrator for 1990 (DP/1990/10), the year in which UNDP celebrated 40 years of technical cooperation for development in the United Nations system, the major points of discussion were the ongoing and new challenges posed by development and the evolution of thinking on technical cooperation. It concluded that UNDP had also evolved considerably and that it was fully abreast of the current concerns and thinking on development. The main task in 1991 - and it will remain so for the immediate future - was to translate this awareness into operational terms.

3. The landmark resolution 44/211 of the General Assembly provides the basis for the reorientation of the operational activities of the United Nations and includes specific calls for action. The resolution finds a direct echo in a number of decisions taken by the Governing Council in 1990 and 1991.

4. More recently, in December 1991, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation for Development (OECD) endorsed a document entitled "Principles and New Orientations for Technical Cooperation". This document, in the preparation of which UNDP was invited to participate, reflects a philosophy close to that of the United Nations on the subject of technical cooperation.

5. The new orientation for technical cooperation may be broadly characterized as follows:

(a) National plans and objectives are the only viable frame of reference for technical cooperation;

(b) Technical cooperation must be integrated with national plans and objectives for relevance and impact;

(c) Technical cooperation should follow a programme approach, i.e., it should support priority, national development objectives and not confine its concern to the immediate, narrower objective of a programme component or project;

(d) The responsibility for national development lies with the Government, which also bears the prime responsibility for the effectiveness of the technical cooperation it receives;

(e) Technical cooperation must be flexible, responding to new needs and changes as they arise;

(f) The goal of technical cooperation is to build and strengthen national capacity for development. Where national capacities exist already, they should be used fully in the cooperation process: this goal, together with considerations of cost, requires that external inputs be used only when strictly necessary.

6. These are the principles which have guided UNDP in its operational activities.

7. In addition, there are considerations of particular relevance in the context of the United Nations. Relating primarily to coordination, they are that the operational activities of the United Nations system should be coordinated both in the system itself and with the external cooperation offered by donors outside the system; more specifically, each entity should seek to identify its comparative advantage as a development partner.

8. Most of the features outlined above are not new either to technical cooperation or to UNDP, although they have been forcefully reaffirmed. A few features are new or have been newly articulated: the promotion of the programme approach and the emphasis on impact and results rather than outputs; the concept of comparative advantage among donors; and the clear placing of prime responsibility for the effectiveness of technical cooperation with national authorities.

Programme approach

9. By stressing the impact of technical cooperation on national objectives and programmes and by regular monitoring to ensure flexibility, as well as by advocating national execution where feasible, UNDP has already begun the move to a programme approach and to give more focus to its cooperation at the country level. The new country programmes will be far more explicitly supportive of national objectives and programmes than previous country programmes, which tended to support a sizeable number of stand-alone national projects.

10. However, many country programmes have been formulated without the benefit of a common understanding of what is meant by the term "programme approach": in fact, it was interpreted in several different ways both within and outside the United Nations system. In 1991, UNDP took upon itself the task of defining the "programme approach", involving donor and recipient Governments and United Nations system colleagues in the process. Considerable progress was made and agreement has been reached on many aspects of the programme approach, notably on one key point: that "programme" refers exclusively to a national programme (by extension also to a regional programme) and not to that of a donor.

11. It is also clear that articulated, comprehensive programme frameworks are the exception rather than the rule in most countries. Consequently, future UNDP cooperation in many cases will be to help in the formulation of such frameworks. A preliminary analysis indicates that the heart of the comparative advantage of UNDP lies in a shift upstream, towards cooperation in policy and programme formulation and management, to which the specialized agencies of the United Nations system, in fulfilment of their own mandates or under the provision of the successor arrangements to support costs, will be able to contribute. Such a shift will also contribute significantly to aid coordination and resource mobilization by helping to provide a framework for the integration of external cooperation into national development efforts.

12. The project as the vehicle for delivering technical cooperation will continue for some time, albeit with changed emphasis. Its limited duration and separate budget provide assurance of accountability to donors. However, the same features are also considered by some to be weaknesses which render projects inflexible, too narrow in scope and keep them separate from the larger national effort. While continuing to use the project as a mechanism for delivery, much can be and is being done to orient it towards a national objective and programme. Vertical linkage with the national objective is being stressed, as are horizontal linkages with related programme components. Emphasis is placed on achieving impact and flexibility rather than on the monitoring of predetermined inputs. Above all, where feasible, national programme managers are being encouraged to take on the responsibility for the execution of UNDP technical cooperation.

13. Recognizing some of the inherent shortcomings of the project - its relative lack of flexibility and fungibility - UNDP is examining the

possibility of an alternative mechanism which would be directed more broadly at a national programme.

14. In introducing changes to orient UNDP support more towards national objectives and programmes, whether through a revised project format or a new programme support mechanism, care will be taken to ensure that the Administrator's accountability to the Governing Council is neither diminished nor impaired. The aim will be to maintain financial accountability while improving accountability for the results obtained with UNDP resources.

National execution

15. Following on the advocacy of national execution in General Assembly resolution 44/211 and Governing Council decision 91/27, UNDP has reviewed its relevant policies and procedures. In so doing, it has borne in mind the principles of accountability reaffirmed in paragraph 24 of General Assembly resolution 44/211. Fully committed to the concept of national execution, UNDP views it as a corollary to national management capacity: where the latter does not exist, the conditions for national execution would not be met and would need to be created. By the same token, the priority of a development objective might be questioned if it did not warrant the assignment of qualified national personnel to manage the related programme. Where specific skills are missing, for example accounting, auditing or reporting, they could be provided through appropriate training or services. Where essential management skills and experience are missing, it would be inappropriate to insist on national execution. Instead, in such cases, the focus should be on helping to build management capacity.

16. It is now widely understood that national execution should not and does not preclude the involvement of the specialized agencies of the United Nations. On the contrary, their specialist support, based on global experience, is strongly encouraged where relevant and competitive. The successor arrangements for agency support costs specifically provide a financial facility to ensure the participation of United Nations specialized agencies in nationally executed activities.

Successor arrangements for agency support costs

17. In paragraph 25 of its resolution 44/211, the General Assembly encourages the Governing Council to consider the question of successor arrangements for agency support costs. As already reported, this topic has been subjected to intensive debate and discussion, both in the Council and between the UNDP secretariat and the executing agencies. A new formula was agreed upon by the Council in its decision 91/32. It offers Governments the choice of how they wish to formulate and implement UNDP-funded cooperation.

18. Guidelines on national execution and successor arrangements for agency support costs were drawn up in 1991 and become effective in 1992.

Coordination and harmonization

19. In General Assembly resolution 44/211, several operative paragraphs are devoted to the related subjects of aid coordination and harmonization and the simplification of rules and procedures.

20. UNDP continued to give its strong support in 1991 to the Administrative Committee on Coordination (ACC), and its subsidiary bodies, to the Joint Consultative Group on Policy (JCGP) and the Office of the Director General (now a part of the Department of Economic and Social Development), all of which are mandated to rationalize the operational activities of the United Nations system.

21. Specifically, in the country programming exercises, the possibility was reviewed in each case of synchronizing the exercise with those of JCGP partners. In several instances, adjustments in the timing of the exercises were made to this end. Similarly, UNDP with the United Nations Population Fund (UNFPA) and the United Nations Children's Fund (UNICEF), has commissioned a study of the scope for harmonizing the accounting and auditing requirements for national execution, with the aim, if possible, of reducing the burden imposed on national authorities by the existing differing procedures.

22. Significant progress was recorded during 1991 in the area of procurement, for example in the standardization of motor vehicles for project and office use and in the adoption of the United Nations Common Coding System (UNCCS). The Inter-Agency Procurement Services Office (IAPSO) also intensified its efforts to increase procurement from developing and underutilized major donor countries: it published catalogues on potential suppliers in Denmark, Finland, India, Netherlands and Zimbabwe. Broadening the base of procurement was stressed in paragraphs 21 and 22 of resolution 44/211.

23. A promising initiative begun in 1991 was the workshops for country teams conducted by the Turin Centre. The workshops bring together country representatives of the entities of the United Nations system from four or five countries for discussion and briefing on operational activity issues of common interest. UNDP has enthusiastically supported this initiative, which was well received by the participants. The workshops have undoubtedly contributed to forging the multidisciplinary teams called for in paragraph 15 of resolution 44/211, to support Governments at the country level.

24. Through these mechanisms and initiatives, UNDP is working, with its partners in the United Nations system, for the coherent coordination of the response of the system to the needs of the recipient countries.

25. In 1991, UNDP continued to lend its support to Governments in their coordination of external assistance. In addition to daily, ongoing contacts with donors and recipients, UNDP organized round-table meetings for six countries and assisted with sectoral consultations in 11 others. National technical cooperation assessment and programmes (NATCAPs) are ongoing in 35 countries. They will provide an important tool for the more effective and better coordinated programming of technical cooperation.

Decentralization

26. The General Assembly called for decentralization of capacity and authority in the United Nations system to the country level to increase responsiveness to the needs of developing countries. The Administrator commissioned a study of the organizational structure of UNDP by a management consultant firm. In the subsequent report entitled A Strategy-Based Senior Management Structure for the United Nations Development Programme (DP/1991/50) the consultants recommended that UNDP be restructured on the basis of strategic decentralization. Certain of the specific recommendations have been acted upon, notably the amalgamation of the units handling external relations, resource mobilization and public affairs, and the bringing together of the various administered funds under the Bureau for Programme Policy and Evaluation (BPPE) for better policy cohesion. Also in 1991, an analysis was launched of Headquarters functions to determine the scope for further rationalization and decentralization. The approach is to retain the policy, external relations, finance and personnel functions at Headquarters and to transfer most discrete programme-related functions to the country level. This approach clearly requires that reporting and accountability systems keep top management fully and frequently informed of essential events and data.

27. UNDP is convinced that decentralization will better serve the interests of the developing countries, mainly by permitting a swifter response to requests from Governments. However, decentralization measures can be implemented only as and when the Administrator is confident of the ability of the UNDP field staff and the management systems to carry out the policies and functions in an effective and accountable manner. Procedures and staff training are being reoriented to that end.

28. In keeping with the letter and spirit of the General Assembly's concern with efficiency, core posts in the UNDP headquarters biennial budget for 1992-1993 were reduced by 15 per cent. In this broad context and as outlined in the budget strategy for 1994-1995, the cost of the UNDP field presence should not be contrasted exclusively with the technical cooperation delivered. Increasingly, as UNDP enters deeper into policy dialogue with its national partners at the country level and performs important services for the United Nations system as a whole, the field offices themselves constitute a significant part of that delivery.

29. Both the Governing Council and the Administrator have striven to follow up on General Assembly resolution 44/211. Considerable progress has been achieved in the intervening two years to move from words to actions. Above all, national aspirations and capacities have been reaffirmed as the centrepiece of technical cooperation.

30. UNDP has also moved to decentralize progressively its operations to be as responsive as possible to local needs, while at the same time implementing global mandates, including emerging ones such as those relating to the environment and the HIV epidemic. Its country presence, which is the most extensive in the United Nations system, its multisectoral mandate, and its

supportive role in aid coordination all equip UNDP uniquely to work in true partnership with its recipient member countries in the spirit of new cooperation embodied in resolution 44/211 and reaffirmed in resolution 46/219.

Senior Management Meeting, Princeton

31. Since UNDP was established in 1966, it has been the practice to convene periodically a meeting of all Resident Representatives and senior headquarters staff. In September 1991, the sixth such meeting was held in Princeton, New Jersey, United States. Given the changes, including the evolution of thinking on technical cooperation, which had taken place in the world since the previous meeting, held in 1985 in Copenhagen, Denmark, the Princeton meeting was an invaluable opportunity to ensure a common understanding of key issues by UNDP senior management in the field and at Headquarters. It fully demonstrated the need for and usefulness of such periodic gatherings. A Statement of Purpose for UNDP was unanimously adopted by the meeting (see annex II to the report of the Administrator on the Senior management structure contained in document DP/1992/45).

II. PROGRAMMES FOR THE FIFTH PROGRAMMING CYCLE (1992-1996)

32. The fifth programming cycle runs from 1992 through 1996 and the majority of country programmes coincide more or less with that period. The preparations for the fifth programming cycle, begun in 1990, have thus been the principal task for UNDP in 1991. Although some of the newer concepts relating to technical cooperation continue to evolve, UNDP has endeavoured to align the new country programmes with the philosophy and prescriptions of General Assembly resolution 44/211 and related Governing Council decisions, notably 90/34. This should be evident in the fifth cycle country programmes submitted to the Governing Council for its approval.

33. The new country programmes identify national priority objectives for human development. They outline the scope and nature of external cooperation and related coordination mechanisms. They review past experience to draw out lessons for future programming, including those areas where the proven comparative advantage of UNDP lies in the country context. They go on to describe the preparatory process and the strategy for the optimal use of UNDP resources. They then present the areas of concentration for future UNDP cooperation. In so doing, they indicate where the expected impact will be found and outline any other donor contributions to the selected areas of concentration. Finally, they present management issues such as the arrangements for the execution and monitoring of the country programme. While the country programmes are firmly rooted in national plans and objectives, they also address, in full or in part, the six areas of focus delineated by the Governing Council in its decision 90/34. This interrelationship is summarized in a matrix annexed to each country programme.

Programming: a continuous process

34. The fifth cycle is built on and emphasizes the continuous nature of programming. The country programme documents presented to the Governing Council for this cycle might be described more accurately as strategy statements for the programming of UNDP resources. Indeed, the section headed "Strategy for UNDP cooperation" emerges as the heart of the document. It states how the limited resources and services of UNDP will be used to obtain the maximum impact on capacity-building for national human development goals.

35. The natural and essential corollary to the shift from a project, input-oriented country programme document to a strategic statement is the need to establish performance indicators for the UNDP-supported activities as well as regular, transparent review and evaluation mechanisms. The mid-term review of the country programmes assumes particular importance in ensuring that the strategy adopted for UNDP cooperation remains valid and that progress is being made towards the attainment of national objectives.

36. The new country programmes represent a major, consolidated step to reorient UNDP technical cooperation in line with General Assembly resolution 44/211. This step will, of course, be followed and reinforced by ongoing and subsequent initiatives such as criteria and guidelines for performance indicators and revised guidelines for mid-term reviews.

Intercountry programmes

37. While country programmes account for the bulk of UNDP resources, the regional, interregional and global programmes constitute important complementary activities. Preparations for the fifth cycle were well under way in 1991. A meeting of African officials, held in Windhoek in November, reviewed the proposed Africa regional programme; similar meetings for Asia, Europe, and Latin America and the Caribbean took place in January 1992.

38. Some notable regional cooperation initiatives received UNDP support in 1991. Four cluster meetings for Ministers of Planning and Finance in Africa centred on regional and subregional approaches and solutions to common problems. In North Africa, UNDP helped to promote cooperation between Maghreb countries; this culminated in the formation of the Arab Maghreb Union in May 1991. In Asia, representatives of China, the Democratic People's Republic of Korea, Mongolia and the Republic of Korea met in Pyongyang in October under the chairmanship of UNDP to begin work on a subregional plan for economic cooperation, based principally on the development of the Tumen River delta. In Latin America, UNDP continued to play the lead role in cooperation for the implementation of the Special Plan of Economic Cooperation for Central America. Finally in Europe, UNDP support was provided to two environmental programmes: the cleaning of the Danube River Basin and of the Black Sea.

Substantive issues

39. The substantive content of the new country programmes derives first and foremost from the national priorities of the recipient countries. However, the UNDP mandate and its own areas of focus have guided the selection of the priority areas of concentration for cooperation as well as the determination of the nature of the UNDP contribution to those areas. Consequently, there is a strong focus on the environment and the sustainable use of natural resources; on poverty eradication and widespread participation in development; on management development, especially for economic and social reform; on the role of women in development; on the transfer and adaptation of technology; and on technical cooperation among developing countries (TCDC).

40. These areas of focus are also present in the ongoing activities supported by UNDP. The main programme record, submitted to the Governing Council as an addendum to the present report (DP/1991/12/Add.1), provides examples of initiatives and achievements in this respect. The focus will undoubtedly intensify as the programmes and projects supported in the new country programmes become operational. At the express request of the Governing Council, highlights of UNDP initiatives and activities in three thematic areas follow.

Environment and development

41. In support of the focus on environment, UNDP has been helping a large number of countries with their preparations for the United Nations Conference on Environment and Development (UNCED). In 1991, UNDP also completed its handbook and guidelines for environmental management and sustainable development. It is intended to enable users to identify environmental opportunities as well as constraints when pursuing economic and social development objectives.

42. With its partners the World Bank and the United Nations Environment Programme (UNEP), UNDP selected the first batch of proposals for financing from the Global Environment Facility (GEF). The budgets of the selected proposals total $450 million, of which $166 million relate to technical cooperation for which UNDP will be responsible.

43. Based on the country programmes so far submitted and on the enhanced awareness of environmental issues generated by UNCED, it is apparent that the environment will feature far more on both national and international agendas. To the extent that environmental concerns must be integrated with development, and given the multisectoral nature of environmental programmes, UNDP is well placed to translate concern into operational activities.

Women in development

44. Country programmes already submitted to the Governing Council indicate a major increase in demand for a greater focus on the mainstreaming of women in development and much greater awareness of the critical need to integrate

gender issues at all programming levels. JCGP activities such as the subregional gender training workshop in Yaounde for francophone African countries and the study on the operational gender-related implications of structural adjustment for JCGP members, have shown increased desire to focus on gender issues in activities of United Nations agencies and national governments.

45. This desire to focus more on gender issues has led to increased requests for gender training at the field level. Six national and four subregional workshops were implemented in 1991 with participation from government officials, United Nations specialized agencies and UNDP staff. A JCGP women in development initiative was undertaken in Ethiopia to develop a country women in development strategy within which the programmes and projects of JCGP agencies can be re-oriented in a more gender-responsive practice.

HIV and development

46. The HIV epidemic is different from other previous or current epidemics and other obstacles to human development. The magnitude of the epidemic, its inevitable toll on human life, the nature and speed of its spread and the social and economic plight of those infected are already bringing consequences which have an impact on every aspect of human life: personal, communal, social, political and economic. The response must be multisectoral and interdisciplinary. UNDP is strongly committed to playing a major role in the efforts at all levels.

47. Within the framework of the Global Strategy on AIDS and the UNDP/WHO Alliance to Combat AIDS, and as a further reflection of its commitment to this critically important development issue, the Governing Council adopted in 1991 a policy framework for the role of the organization. The HIV and Development Programme has subsequently been established within the Division for Global and Interregional Programmes. The specific UNDP mandates for policy and programme development are: to help to increase awareness and understanding at global and national levels of the development implications of the epidemic; to support community-based programmes and programmes for women; to strengthen national capacities to develop effective multisectoral HIV strategies; and to minimize the adverse effects of the epidemic.

III. AN EVENTFUL YEAR

Human development

48. The Human Devlopment Report 1991 carried forward the work initiated in the first report for 1990. The human development index (HDI) was refined and updated and an analysis presented of the extent to which national budgetary allocations reflect human development concerns. The concept of human freedom as an indispensable component of human development was also introduced.

49. The Human Development Report 1992 will update the HDI on the basis of 1990 data. It will also examine the international aspects of human

development, specifically the functioning of world markets for labour, capital, goods and services and their impact on human development. The report will also examine how human development can strengthen the competitive edge of a country and its position in the international economic system.

50. A memorable event in 1991 was the signing of the Commitment of Tegucigalpa by the Presidents of five Central American countries and Panama and the Prime Minister of Belize. The Commitment created the Central American Human Development Council and established a new regional programme on human development. The Administrator and the Executive Director of UNICEF were invited to participate in the meeting.

51. Human development missions were organized by UNDP in 1991 to Bangladesh, Botswana, Columbia, Ghana, Indonesia, Pakistan and Viet Nam. The purpose of the missions was to assist Governments to review their policies and resource allocations so as to promote human development more effectively.

52. JCGP, chaired by UNDP in 1991, focused attention on the need to make human development the overriding operational concern, an issue of central concern to the five participating organizations.

53. There is no doubt that the sharper definition and focus of human development have brought a new dimension and impulse to the operational activities of the United Nations system, in line with the emphasis given to the human dimension of development by the General Assembly in paragraph 3 of its resolution 44/211.

Emergencies and humanitarian assistance

54. The occurrence of disaster emergencies generally reflects acute socio-economic fragility. Their direct impact exposes intense levels of poverty and suffering and their secondary effects can exact a crippling toll on the economies of developing countries. It is because of these links between disasters and development that UNDP is called upon to act.

55. Both natural disasters and those caused by conflict continued to erupt. From conflict in the Persian Gulf, through continued famine and conflict in Africa, through floods, volcanic eruptions and earthquakes in Asia (directly affecting some 28 million people), to epidemics in Latin America, 1991 was one of the worst years on record in terms of disaster. During the year, UNDP was requested to provide assistance to disaster and emergency situations in some 30 countries.

56. Tragically, population displacement caused by complex emergencies has continued to deteriorate, particularly in Africa. It is estimated that there are now over 20 million internally displaced persons and 17-18 million refugees. UNDP, in consultation with the Office of the United Nations High Commissioner for Refugees (UNHCR) and other agencies of the United Nations system, has been focusing on the long-term development needs of displaced populations and host communities as well as of returnees. In addition to

project activities, UNDP has detached or seconded staff to assist the efforts of the Secretary-General in Iraq and Somalia and has provided the Director and one other senior staff member for the United Nations Special Emergency Programme for the Horn of Africa.

57. In the wake of the cyclone in Bangladesh, which killed some 140,000 people in April, UNDP responded with emergency and reconstruction assistance totalling over $1.1 million. UNDP also spearheaded a ten-agency task force which assessed the rehabilitation and reconstruction needs. The report of the task force was the basis for a donor meeting in July, which resulted in the earmarking of more than $500 million for these needs. UNDP also played a pivotal role in the response to other significant natural disasters in China and the Philippines.

58. The most important role that UNDP plays in humanitarian assistance is through its network of field offices and resident representatives, acting as resident coordinators. The General Assembly, in its resolution 46/182, reaffirmed the pivotal role of resident coordinators in this respect: thus, UNDP involvement in humanitarian assistance, linking it to long-term development efforts, will continue to be crucial.

Restructuring of centrally planned economies

59. The restructuring of the former centrally planned economies in Central and Eastern Europe continued in 1991, culminating with the dissolution of the Union of Soviet Socialist Republics. The search for new forms of governance in the affected countries and the conversion of their economies to reflect market forces will remain a major challenge throughout the 1990s and beyond. The attention of the industrialized world is currently focused on the former USSR and its former Council for Mutual Economic Assistance (CMEA) partners. But there is a real danger that this focus will be at the expense of the traditional recipients of Overseas Development Assistance. It is essential that the international community recognize this danger and devise a strategy to meet the needs of all countries that are striving for improved human development.

60. Such a strategy would acknowledge that the former CMEA countries have educated workforces, physical and social infrastructures and, in most cases, substantial industrial bases and demographically stable populations. This situation contrasts sharply with that of a developing country, especially one in the least developed country (LDC) category.

61. Assistance to the former CMEA countries must be viewed with due regard to the complexity of the situation and the long period needed to restructure the economic, political and social systems. It should be concentrated on helping to create new policies and institutions which would increase the freedom of choice of the populations and promote the transition to political and economic pluralism. Immediate needs for humanitarian and technical cooperation are significant and call for a generous and flexible response.

62. UNDP has increased its cooperatiion with the East and Central European countries. UNDP offices were opened in 1991 in Warsaw, Poland and in Tirana, Albania and applications for UNDP recipient status were received from the three Baltic States, Estonia, Latvia and Lithuania, as well as from Belarus. The other states of the former USSR also expressed interest in technical cooperation with UNDP. The funding for cooperation with these countries as well as the coverage by UNDP of the country programmes are issues to be discussed by the Governing Council at its current session.

63. UNDP cooperation in these countries is sought particularly in sensitive areas of policy, where its neutrality - both political and sectoral - is appreciated. Advice has been provided on restructuring economies, including banking and property, on promoting entrepreneurship, and on creating an enabling environment for individual enterprise. The Transfer of Knowledge through Expatriate Nationals modality has been used effectively, notably in Czechoslavakia and Poland: former nationals of those countries, now resident abroad, have offered their professional skills at nominal costs to the lands of their birth.

64. An international conference, organized by UNDP in Ulaanbaatar in October at the request of the Mongolian Government, led to significant donor commitments. The conference, the first of its kind, was designed to support Mongolia's economic reform programme.

Governance

65. Based on its acknowledged neutrality, UNDP is increasingly being invited to cooperate in the issue of governance. Initiatives in the Latin America and Caribbean region were reported on in 1990. Further initiatives in 1991 related to the peace process in El Salvador, support to the electoral process in Guyana and moves towards political union among four Caribbean States. Similar cooperation took place in Africa. Support was provided to the Chairman of the Organization of African Unity for the Kampala Forum on Security, Stability, Development and Cooperation in Africa, held in Kampala, Uganda in May. In Ghana, UNDP cooperation was provided to develop multiparty constitutional arrangements and in Angola, to set up the electoral process.

66. Through initiatives relating to governance as well as through its increased focus in recent years on non-governmental sectors and organizations, UNDP is encouraging participation at all stages of the development process by a far wider spectrum of populations.

Cambodia and Lebanon

67. UNDP reopened its country office in Cambodia in 1991 with the appointment of a Resident Representative after an absence of 16 years. In Lebanon, the UNDP office was also reactivated. In both cases, cooperation is expected to focus initially on rehabilitation while longer term development strategies are being formulated. There are now 115 UNDP country offices.

Anniversaries

68. The year 1991 also marked notable anniversaries for the United Nations Capital Development Fund (UNCDF) and the United Nations Volunteers (UNV), which provide two important windows of opportunity for UNDP.

69. UNCDF completed 25 years of providing capital grants to LDCs, virtually the only fund of its type. The Fund organized a meeting in Japan in May 1991 sponsored by the Government of Japan. The meeting was a follow-up to the Second United Nations Conference on the least developed countries, held in Paris in 1990, which was aimed at enhancing resource flows to LDCs.

70. The twentieth anniversary of UNV also took place in 1991. This coincided with the Third Inter-Governmental Meeting on UNV held in December in Kathmandu, Nepal, at which more than 70 Governments participated.

71. More detailed reporting on UNCDF and UNV as well as other UNDP-administered activities is given in the main programme record (DP/1992/12/Add.1).